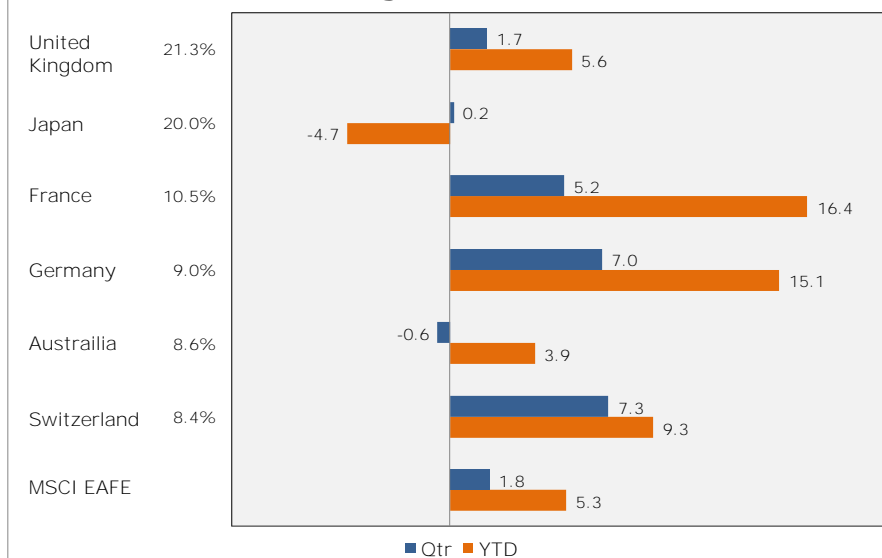


Non-U.S. Capital Markets

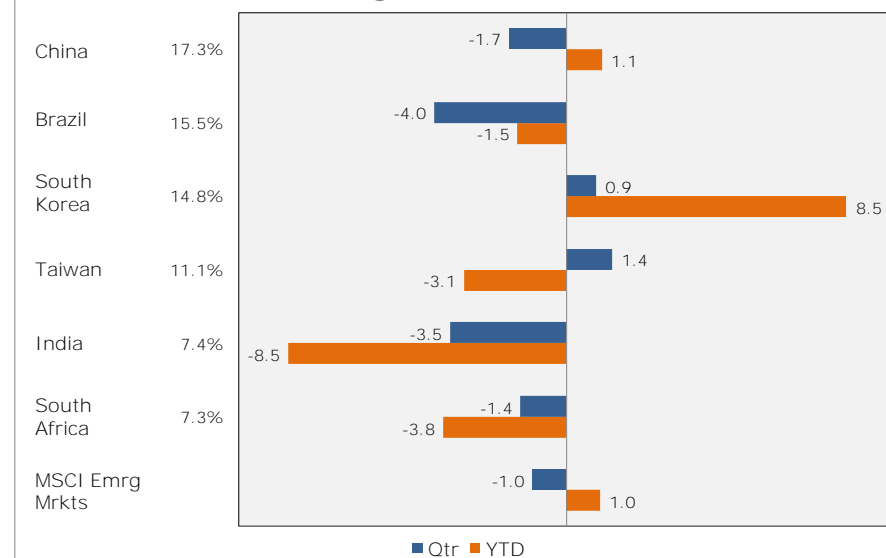


June 30, 2011	Qtr	Ytd	1 Yr	3 Yr	5 Yr	10 Yr
MSCI ACWI ex-US (\$g)	0.6	4.1	30.3	0.1	4.1	7.9
MSCI EAFE (\$g)	1.8	5.3	30.9	-1.3	2.0	6.1
MSCI Emerging Markets (\$g)	-1.0	1.0	28.2	4.5	11.7	16.5
MSCI Frontier Markets (\$g)	0.0	-5.4	16.8	-14.8	-0.3	n.a.
JPM Non US Global Bond	3.7	4.7	13.9	7.0	8.2	8.9
JPM Non US Global Bond Hedged	1.4	2.1	2.1	5.3	5.0	4.6
JPM EMBI Global	4.0	5.1	11.8	10.5	9.6	10.2
Euro vs. Dollar	2.2	8.1	18.4	-2.8	2.5	5.5
Yen vs. Dollar	2.6	0.4	9.6	9.5	7.2	4.4
Pound vs. Dollar	0.2	2.5	7.3	-6.9	-2.8	1.3

MSCI EAFE: Largest Countries and Return



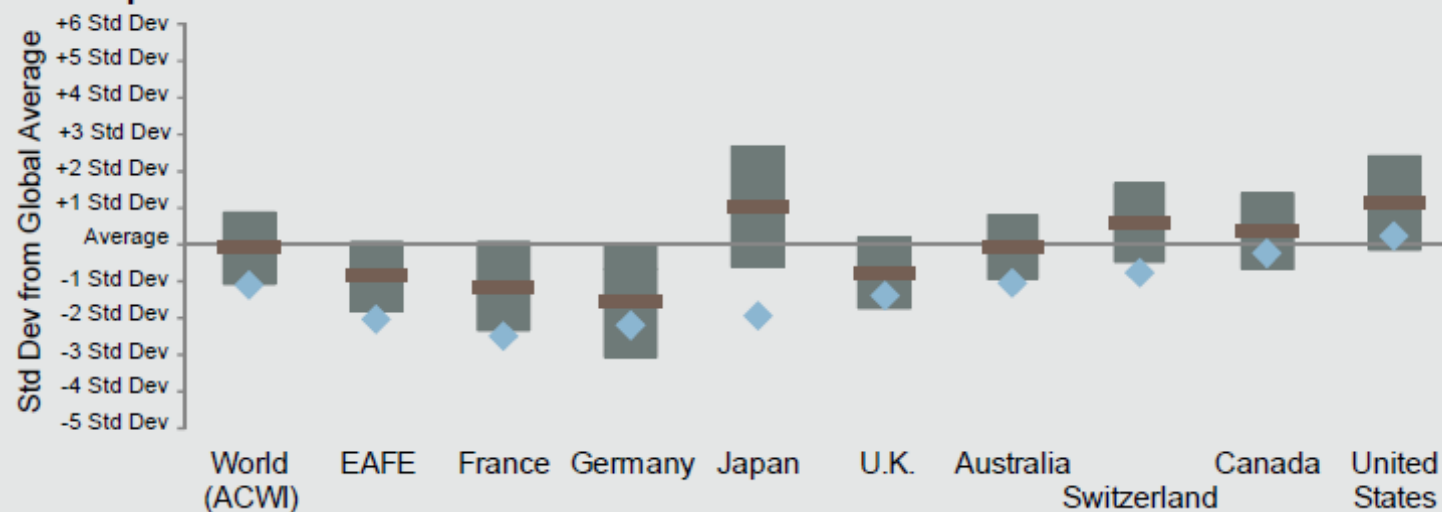
MSCI EM: Largest Countries and Return



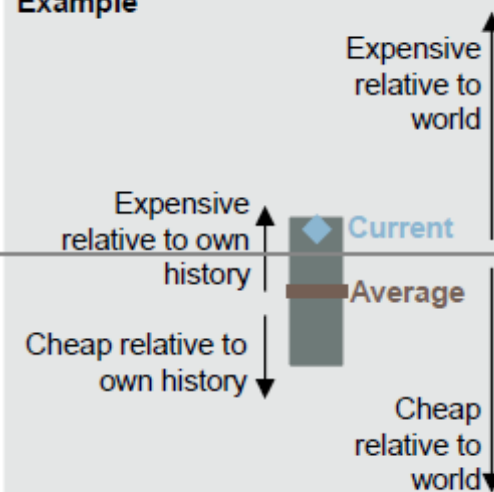
Data sources: Wilshire Compass, MSCI Barra

Equity Market Valuations

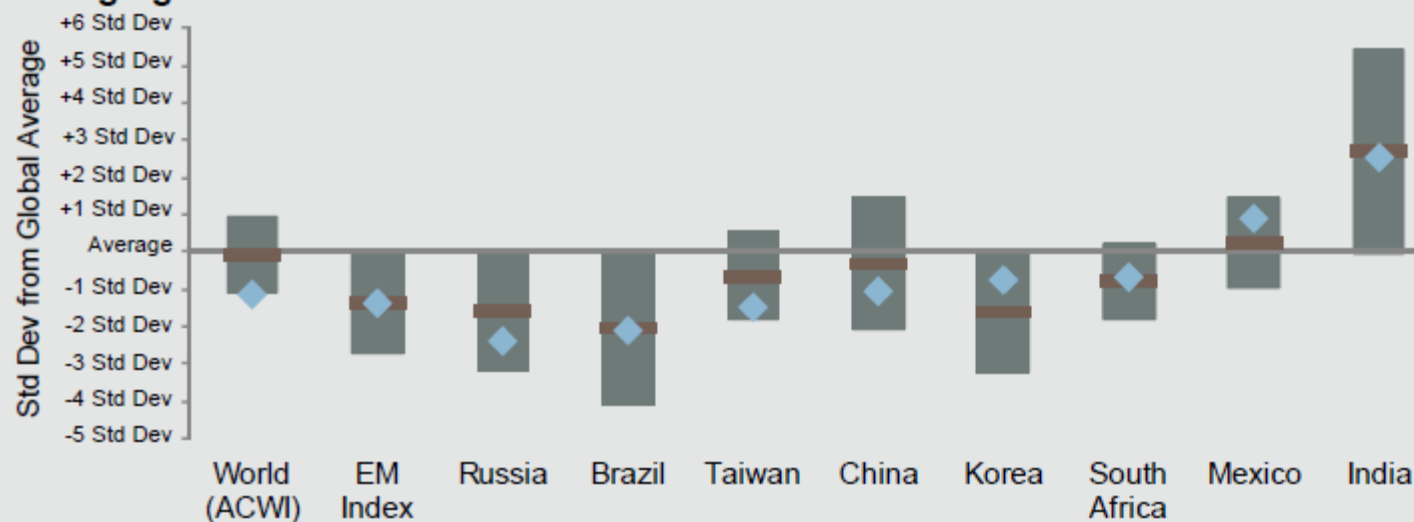
Developed Market Countries



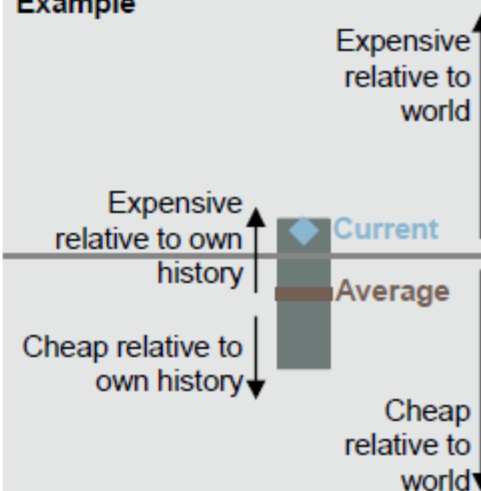
Example



Emerging Market Countries



Example

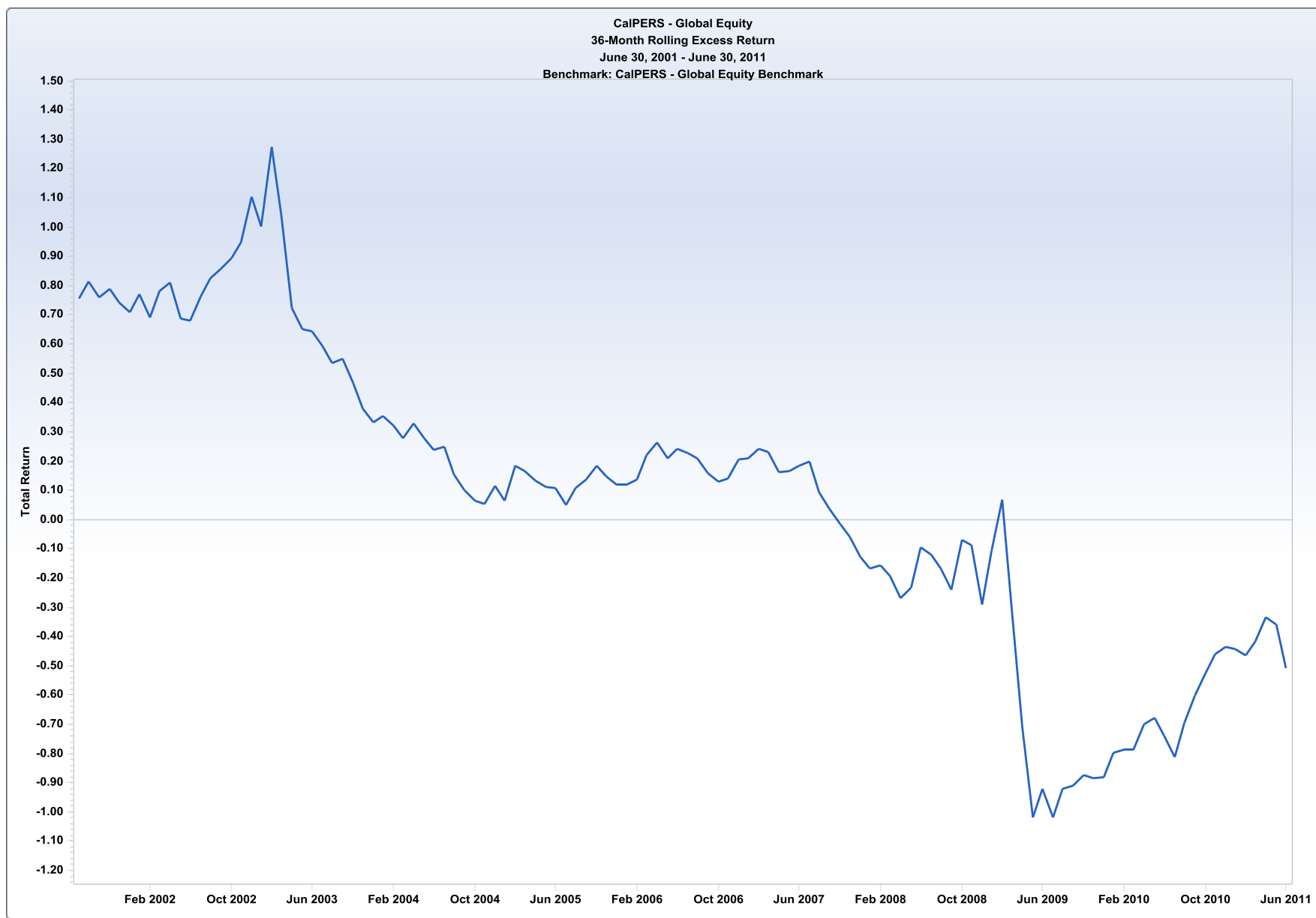


Global Equity – Performance

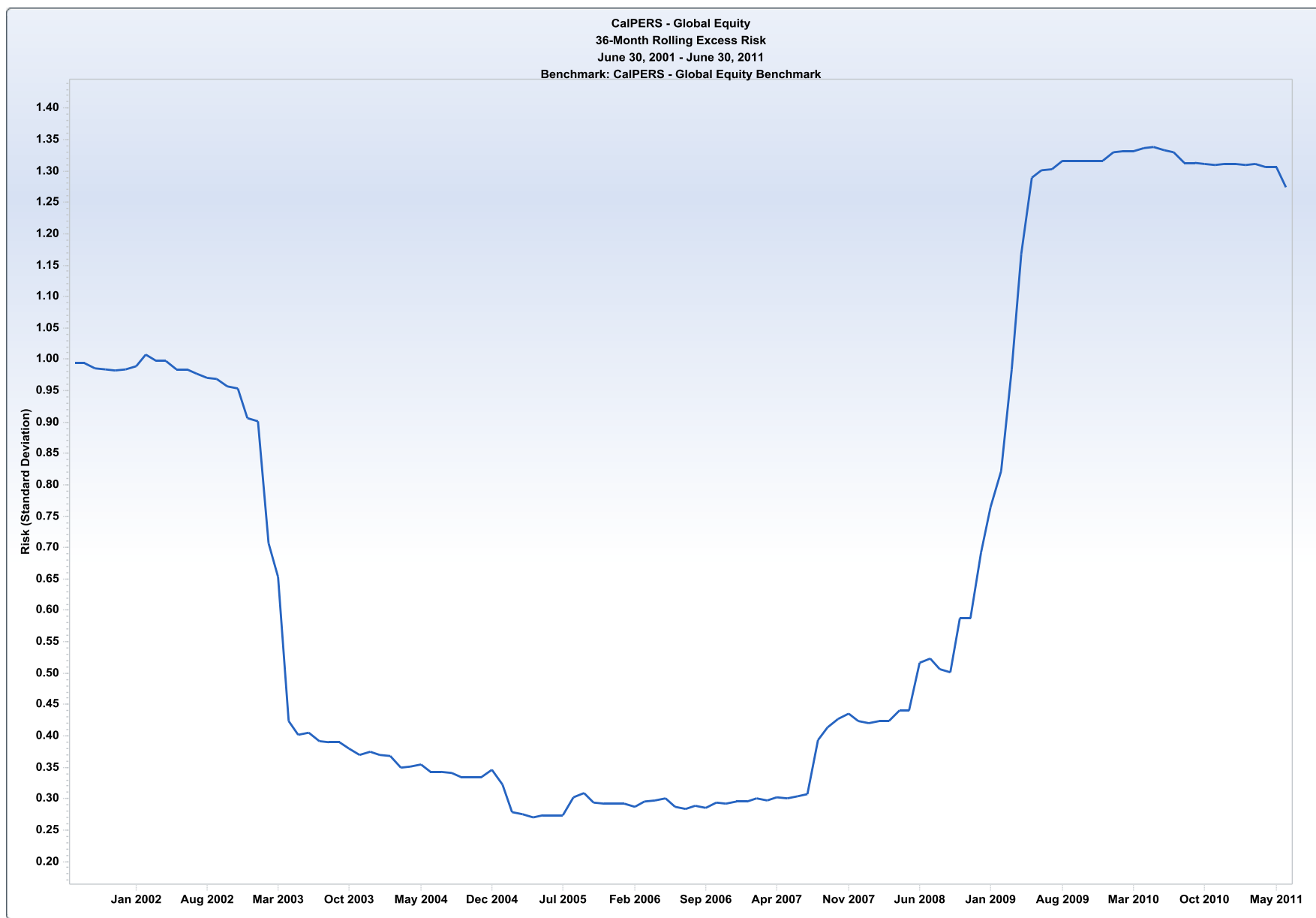


	Market Value	Qtr	1 Year	3 Year	5 Year	10 Year	VaR²⁰	5-year Sharpe Ratio²¹	5-year Info Ratio²²
TOTAL GLOBAL EQUITY ¹⁵	123.3	0.3%	30.2%	2.1%	3.3%	4.8%	\$21.5 bil	0.1	-0.4
<i>Equity Policy Index ¹⁶</i>		0.3%	30.1%	3.3%	4.1%	5.1%		0.1	0.0
<i>Value Added</i>		0.0%	0.1%	-1.2%	-0.8%	-0.3%			
US Equity Composite (ex RMARS)	51.4	-0.2%	32.3%	4.0%	3.4%	3.6%		0.1	0.0
<i>Custom US Equity Index ¹⁷</i>		-0.2%	32.0%	3.8%	3.4%	3.5%		0.1	0.0
<i>Value Added</i>		0.0%	0.3%	0.2%	0.0%	0.1%			
Total Int'l Equity (ex RMARS)	64.1	0.8%	30.8%	0.5%	3.9%	-.-%		0.1	0.4
<i>Custom Int'l Equity Index ¹⁸</i>		0.8%	30.3%	-0.3%	3.4%	-.-%		0.1	0.0
<i>Value Added</i>		0.0%	0.5%	0.8%	0.5%	-.-%			
Global Equity Equitization	2.3	0.8%	31.1%	-.-%	-.-%	-.-%			
<i>PERS Custom Index</i>		0.5%	30.8%	-.-%	-.-%	-.-%			
<i>Value Added</i>		0.3%	0.3%	-.-%	-.-%	-.-%			
RM ARS Program	5.3	-0.7%	6.6%	0.7%	3.2%	-.-%		0.2	-0.7
<i>RM ARS Policy Index ¹⁹</i>		1.4%	5.7%	6.6%	8.2%	-.-%		6.4	0.0
<i>Value Added</i>		-2.1%	0.9%	-5.9%	-5.0%	-.-%			

Global Equity – Rolling Excess Returns

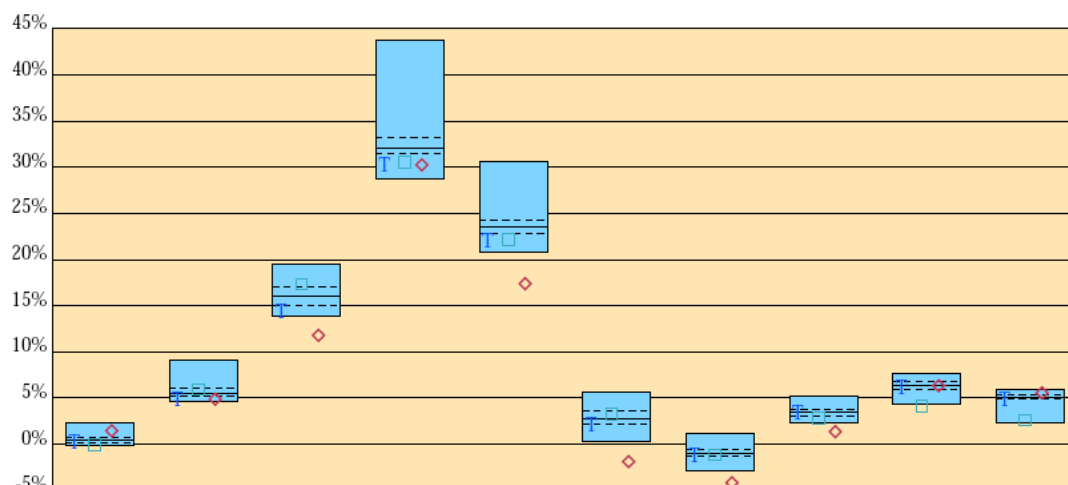


Global Equity – Rolling Tracking Error



Global Equity – Universe Comparison

California Public Employees Retirement Equity Returns of Public Funds > \$10 Billion Rates of Return for Periods Ending June 30, 2011



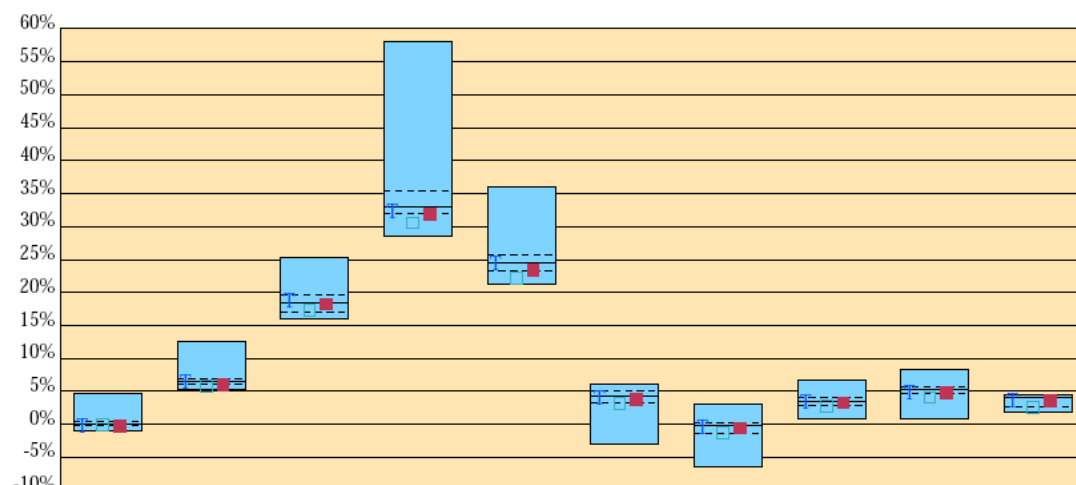
	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	7 Years	10 Years
5th Percentile	2.39	9.15	19.51	43.78	30.68	5.57	1.17	5.14	7.60	5.92
25th Percentile	0.78	6.12	17.04	33.15	24.27	3.64	-0.51	3.81	6.82	5.42
Median	0.42	5.55	15.99	32.02	23.53	2.81	-1.04	3.48	6.43	5.06
75th Percentile	0.21	5.17	15.05	31.45	22.87	2.23	-1.28	3.06	5.86	4.90
95th Percentile	-0.13	4.57	13.80	28.81	20.79	0.37	-2.89	2.33	4.28	2.33
T Total Plan - Composites	0.31 (62)	4.80 (85)	14.36 (85)	30.25 (81)	22.10 (87)	2.15 (79)	-1.21 (60)	3.35 (60)	6.09 (62)	4.84 (75)
□ S&P 500	0.09 (84)	6.02 (34)	17.43 (12)	30.70 (81)	22.28 (79)	3.34 (33)	-1.05 (55)	2.95 (81)	4.22 (99)	2.72 (91)
◇ MSCI EAFE (Net)	1.56 (5)	4.98 (78)	11.91 (99)	30.36 (81)	17.50 (99)	-1.77 (99)	-4.06 (99)	1.48 (100)	6.44 (37)	5.66 (15)

Returns for periods greater than one year are annualized.

GOF returns are used in universe comparison.

US Equity – Universe Comparison

California Public Employees Retirement
US Equity Returns of Public Funds > \$10 Billion
Rates of Return for Periods Ending June 30, 2011



	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	7 Years	10 Years
5th Percentile	4.63	12.65	25.36	58.03	36.04	6.07	3.14	6.75	8.25	4.53
25th Percentile	0.45	6.82	19.70	35.42	25.67	5.05	0.30	4.19	5.65	4.15
Median	0.10	6.44	18.43	32.92	24.44	4.21	-0.18	3.43	5.28	3.99
75th Percentile	-0.22	6.02	16.95	31.98	23.36	3.27	-1.46	2.86	4.71	2.70
95th Percentile	-1.04	5.23	16.01	28.49	21.25	-3.05	-6.42	0.82	0.93	1.80
T Total Plan - Composites	-0.16 (68)	6.35 (53)	18.85 (42)	32.33 (64)	24.37 (54)	4.08 (62)	-0.43 (60)	3.48 (45)	4.87 (56)	3.63 (58)
□ S&P 500	0.09 (50)	6.02 (75)	17.43 (67)	30.70 (81)	22.28 (91)	3.34 (66)	-1.05 (65)	2.95 (70)	4.22 (83)	2.72 (66)
■ Wilshire 5000	-0.08 (65)	6.09 (67)	18.38 (50)	31.99 (71)	23.57 (70)	3.96 (66)	-0.43 (60)	3.44 (45)	5.01 (56)	3.73 (58)

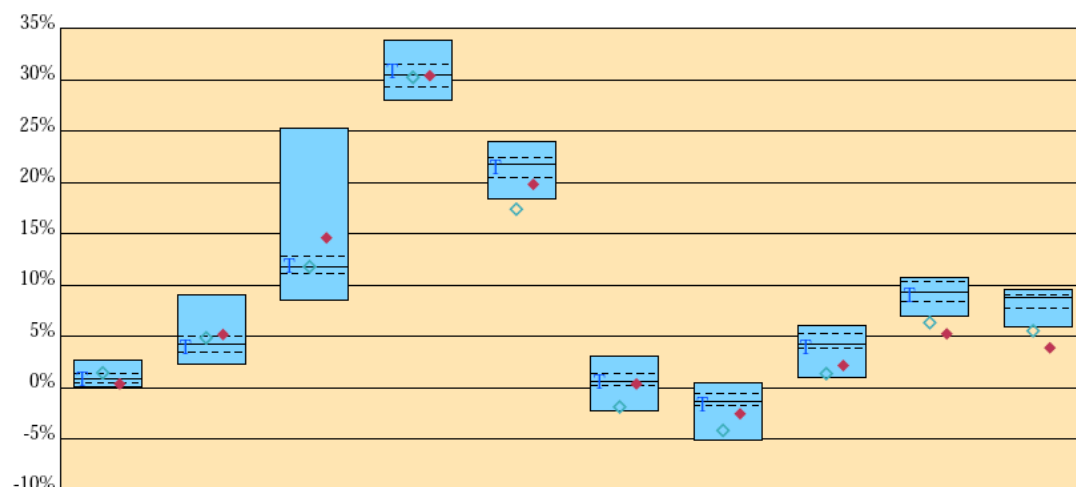
Returns for periods greater than one year are annualized.

GOF returns are used in universe comparison.

International Equity – Universe Comparison



California Public Employees Retirement
International Equity Returns of Public Funds > \$10 Billion
Rates of Return for Periods Ending June 30, 2011



	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	7 Years	10 Years
5th Percentile	2.64	9.05	25.27	33.86	24.00	3.06	0.53	6.03	10.77	9.61
25th Percentile	1.37	5.06	12.80	31.60	22.43	1.39	-0.55	5.33	10.33	9.12
Median	0.89	4.26	11.84	30.56	21.74	0.59	-1.35	4.29	9.36	8.86
75th Percentile	0.55	3.52	11.09	29.39	20.46	0.25	-1.73	3.91	8.35	7.73
95th Percentile	0.05	2.31	8.50	28.00	18.37	-2.24	-5.04	1.02	6.93	5.91
T Total Plan - Composites	0.79 (59)	3.95 (59)	11.88 (43)	30.89 (42)	21.43 (55)	0.56 (50)	-1.70 (65)	4.00 (62)	9.00 (58)	
◇ MSCI EAFE (Net)	1.56 (14)	4.98 (25)	11.91 (43)	30.36 (53)	17.50 (99)	-1.77 (93)	-4.06 (93)	1.48 (93)	6.44 (99)	5.66 (99)
◆ MSCI World (Net)	0.47 (75)	5.29 (21)	14.71 (12)	30.52 (50)	19.93 (89)	0.47 (55)	-2.44 (87)	2.28 (93)	5.35 (99)	3.99 (99)

Returns for periods greater than one year are annualized.

GOF returns are used in universe comparison.

Corporate Governance/MDP/FoF



	<u>Market</u>	<u>Qtr</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>	<u>Date</u>
Total Corporate Governance	Value 5.1	0.1%	27.3%	1.9%	0.7%	6.1%	12/98
<i>Policy Index</i>		0.1%	23.2%	-0.6%	0.4%	3.9%	
<i>Value Added</i>		0.0%	4.1%	2.5%	0.3%	2.2%	

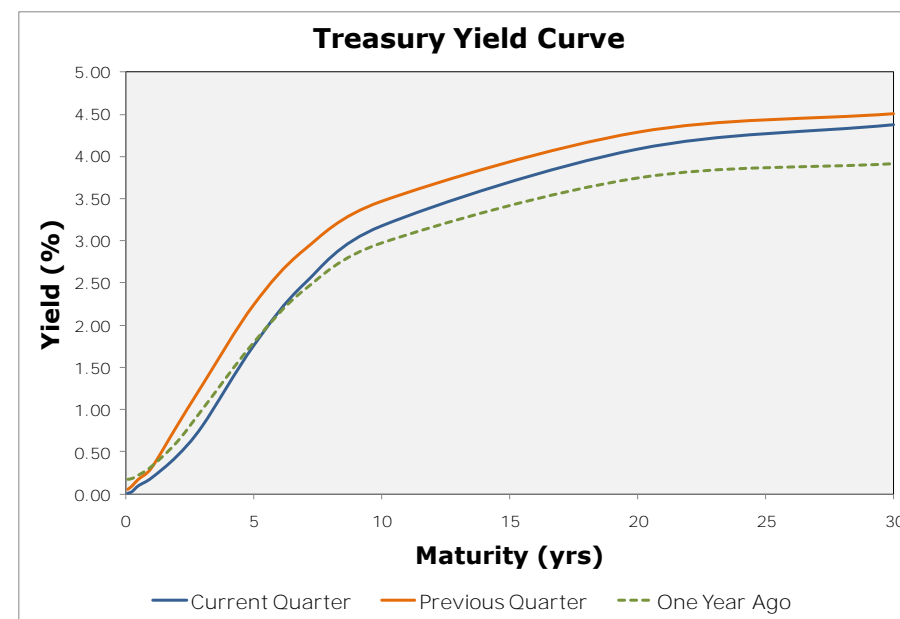
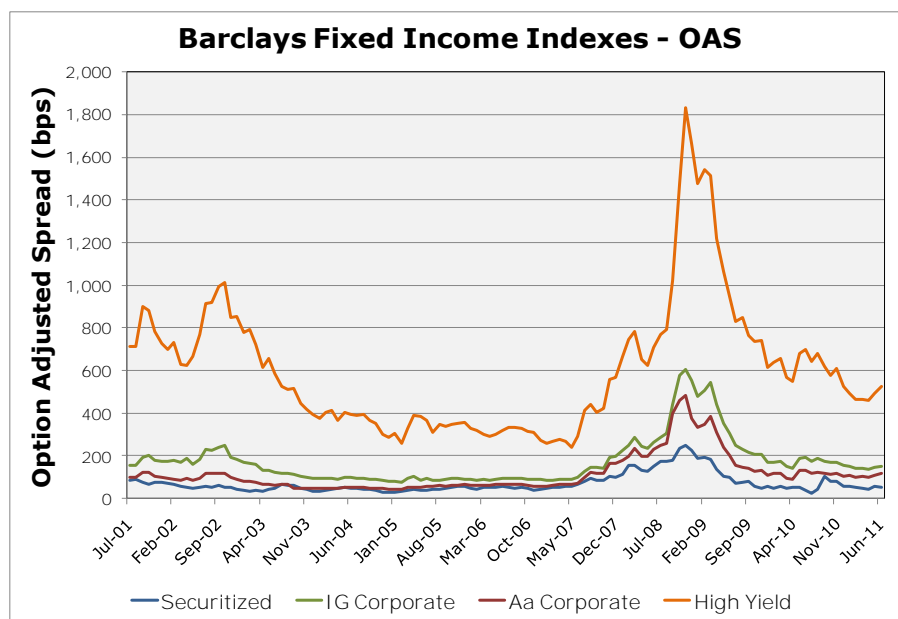
	<u>Market</u>	<u>Qtr</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>	<u>Date</u>
Total MDP	Value 1.7	0.0%	29.3%	1.8%	3.1%	4.6%	6/00
<i>Policy Index</i>		0.3%	27.4%	3.8%	4.4%	5.7%	
<i>Value Added</i>		-0.3%	1.9%	-2.0%	-1.3%	-1.1%	

	<u>Market</u>	<u>Qtr</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>	<u>Date</u>
Total FoF	Value 0.9	-0.5%	37.8%	5.7%	-.-%	-.-%	3/08
<i>Policy Index</i>		-1.1%	34.4%	6.4%	-.-%	-.-%	
<i>Value Added</i>		0.6%	3.4%	-0.7%	-.-%	-.-%	

U.S. Capital Markets: Fixed Income



June 30, 2011	Qtr	Ytd	1 Yr	3 Yr	5 Yr	10 Yr
Barclays Aggregate Bond Index	2.3	2.7	3.9	6.5	6.5	5.7
Barclays Treasury Index	2.4	2.2	2.2	5.1	6.2	5.4
Barclays Govt-Related Index	2.2	2.8	3.7	5.7	6.3	5.7
Barclays Securitized Index	2.2	2.9	4.4	6.9	6.8	5.7
Barclays Corporate IG Index	2.3	3.2	6.3	8.6	7.0	6.3
Barclays LT Govt/Credit Index	3.3	3.3	3.2	8.2	7.7	7.2
Barclays Long-Term Treasury Index	3.4	2.3	-1.1	5.9	7.3	6.9
Barclays U.S. TIPS Index	3.7	5.8	7.7	5.3	6.9	7.0
Barclays High Yield Index	1.1	5.0	15.6	12.7	9.3	9.0
Treasury Bills	0.0	0.1	0.2	0.4	2.0	2.1

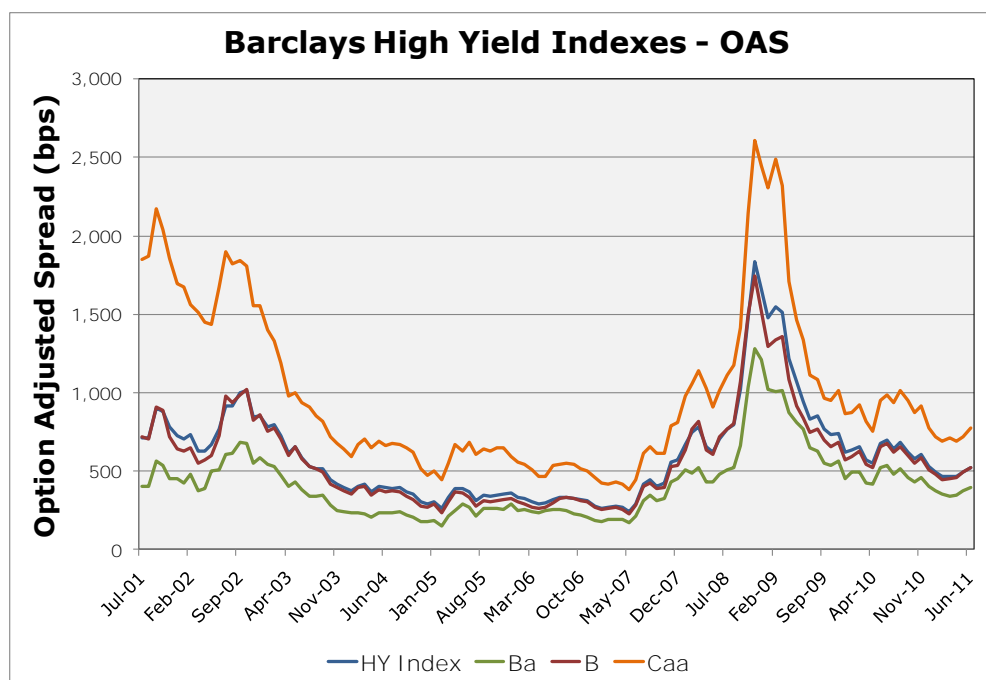


Data sources: Wilshire Compass, Barclays Capital, U.S. Treasury

High Yield by Quality



June 30, 2011	Weight	Qtr	Ytd	1 Yr	3 Yr
Barclays High Yield Index	100%	1.1	5.0	15.6	12.7
Quality Distribution					
Ba U.S. High Yield	39.6%	1.6	5.1	14.7	13.2
B U.S. High Yield	42.4%	0.8	4.5	14.9	8.7
Caa U.S. High Yield	15.9%	0.8	5.7	18.6	9.9
Ca to D U.S. High Yield	1.9%	-1.6	5.7	25.1	30.7
Non-Rated U.S. High Yield	0.2%	-0.8	3.7	14.6	-2.9



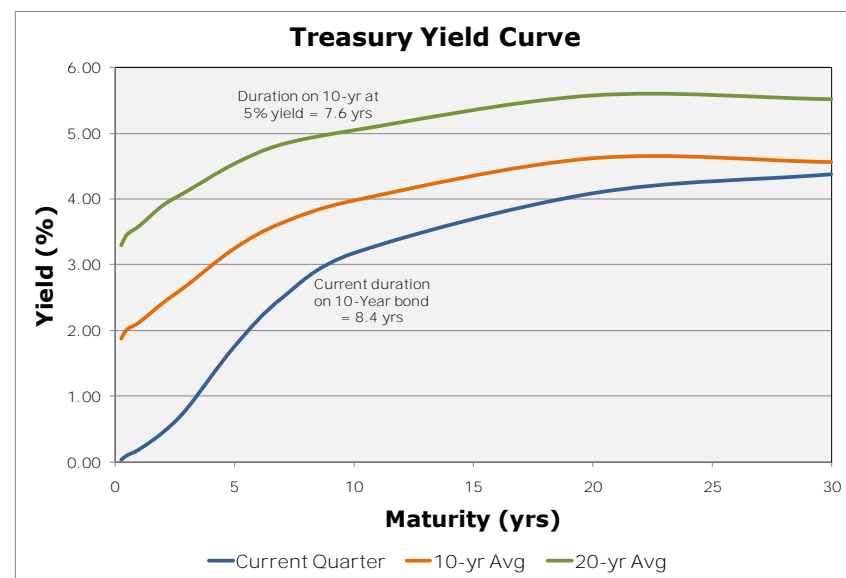
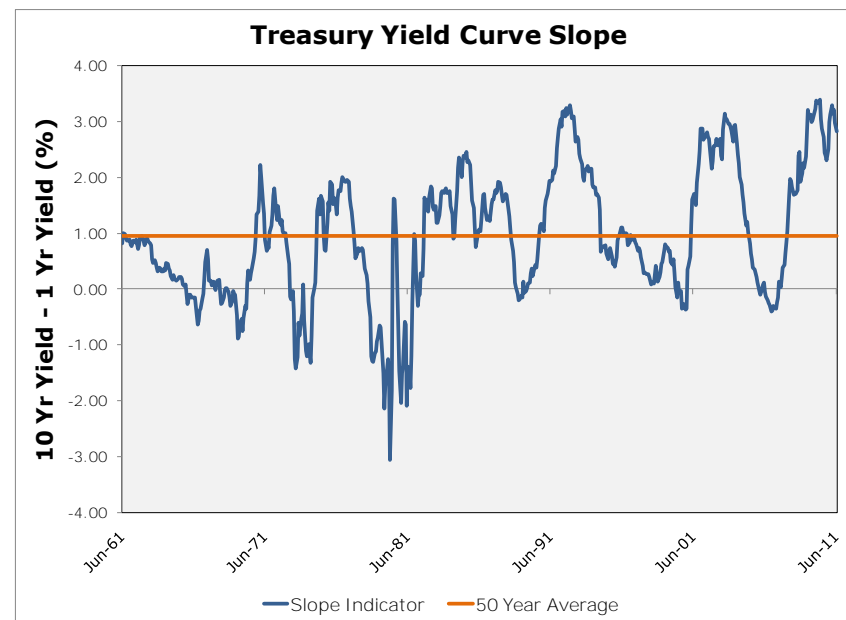
Data sources: Barclays Capital

Yield Environment

Treasury yield curve is very steep

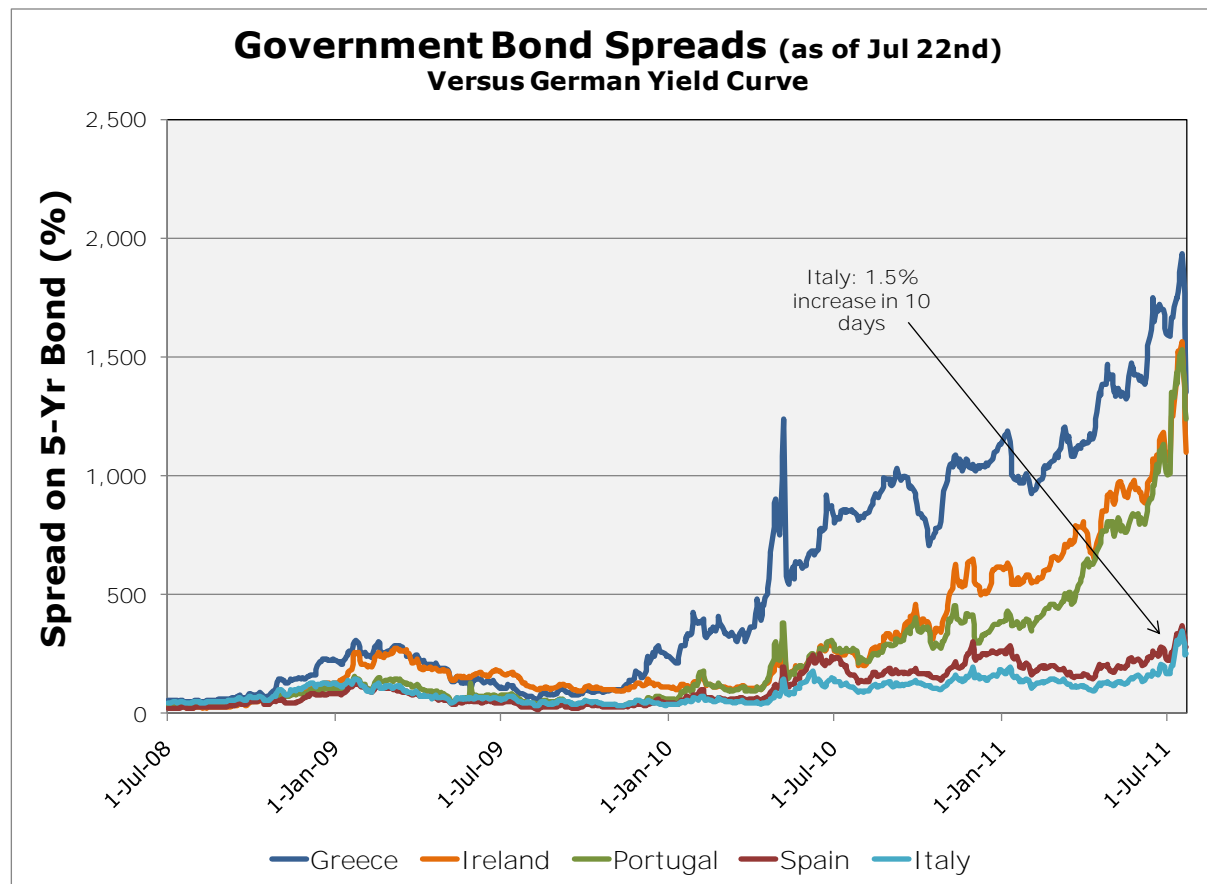
Duration naturally extends as nominal yields fall

Data sources: Federal Reserve, Barclays Capital



European Debt Issues

New concerns about Italy – which is the third-largest sovereign debt issuer in the world with \$2.6 trillion outstanding



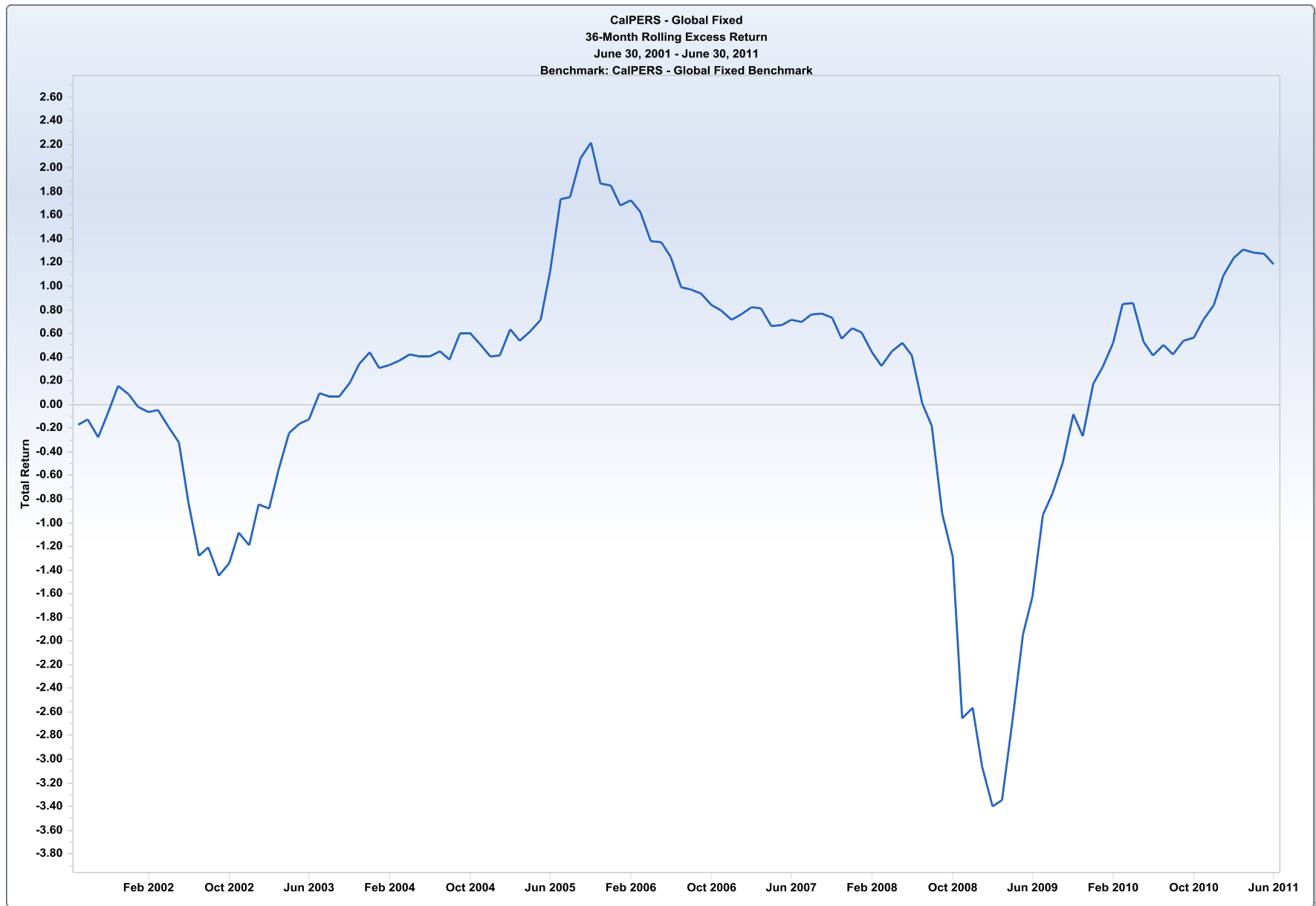
Data sources: Barclays Capital, The Economist

Total Fixed Income – Performance

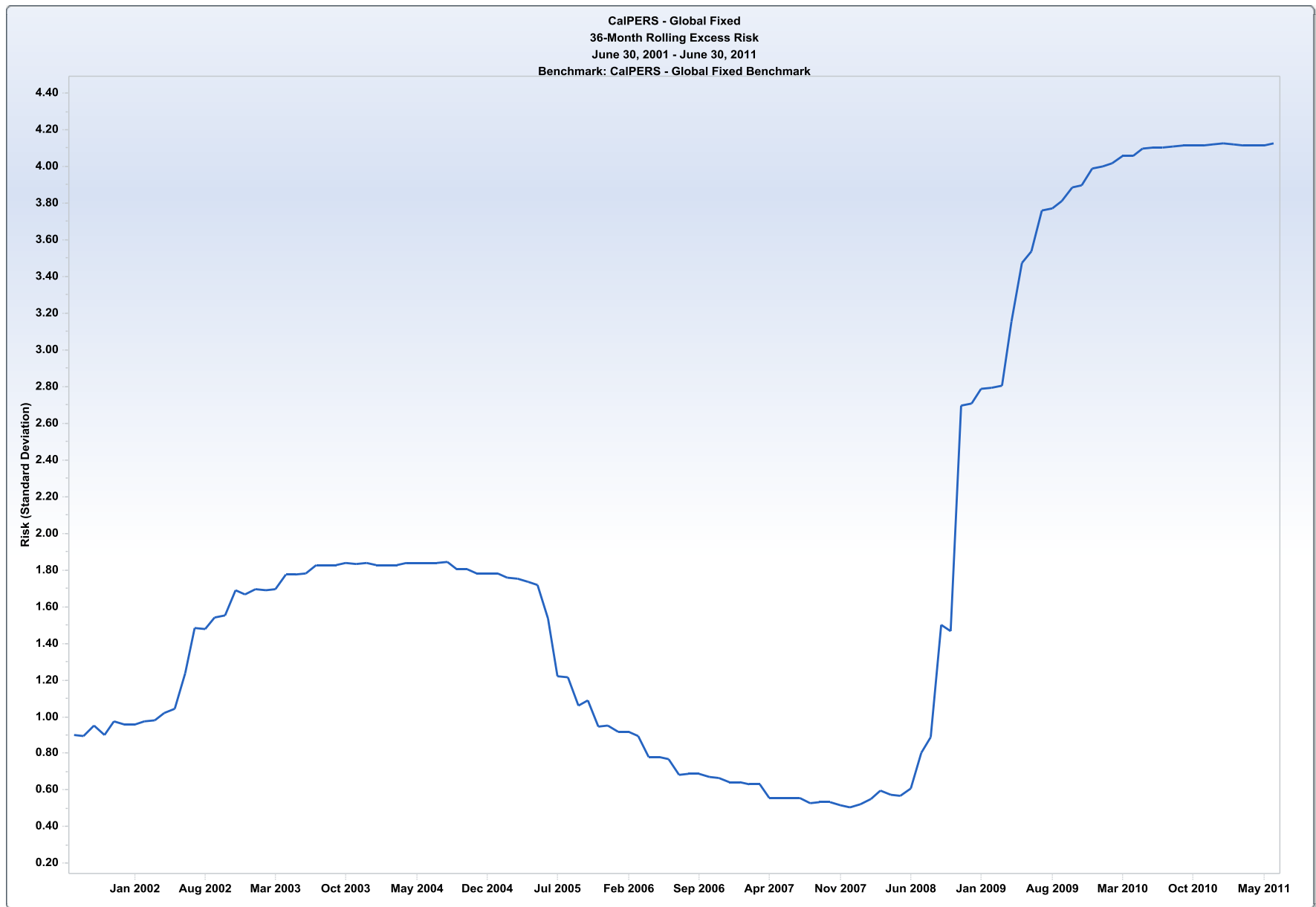


	Market Value	Qtr	1 Year	3 Year	5 Year	10 Year	VaR³⁶	5-year Sharpe Ratio³⁷	5-year Info Ratio³⁸
Total Fixed Income	41.1	2.6%	7.0%	9.2%	8.4%	7.7%	\$2.8 bil	0.9	0.2
<i>Fixed Income Policy Index</i> ³³		3.1%	5.6%	7.9%	7.7%	7.1%		0.9	0.0
<i>Value Added</i>		-0.5%	1.4%	1.3%	0.7%	0.6%			
U.S. Fixed Income	37.6	2.5%	6.3%	9.4%	8.4%	7.5%		0.9	0.2
<i>Policy Index</i> ³⁴		3.1%	4.9%	8.0%	7.7%	6.9%		0.9	0.0
<i>Value Added</i>		-0.6%	1.4%	1.4%	0.7%	0.6%			
Non-U.S. Fixed Income	3.6	4.3%	15.8%	8.1%	8.7%	9.3%		0.7	0.5
<i>Policy Index</i> ³⁵		3.7%	14.0%	6.4%	7.7%	8.7%		0.6	0.0
<i>Value Added</i>		0.6%	1.8%	1.7%	1.0%	0.6%			

Total Fixed Income – Rolling Excess Returns



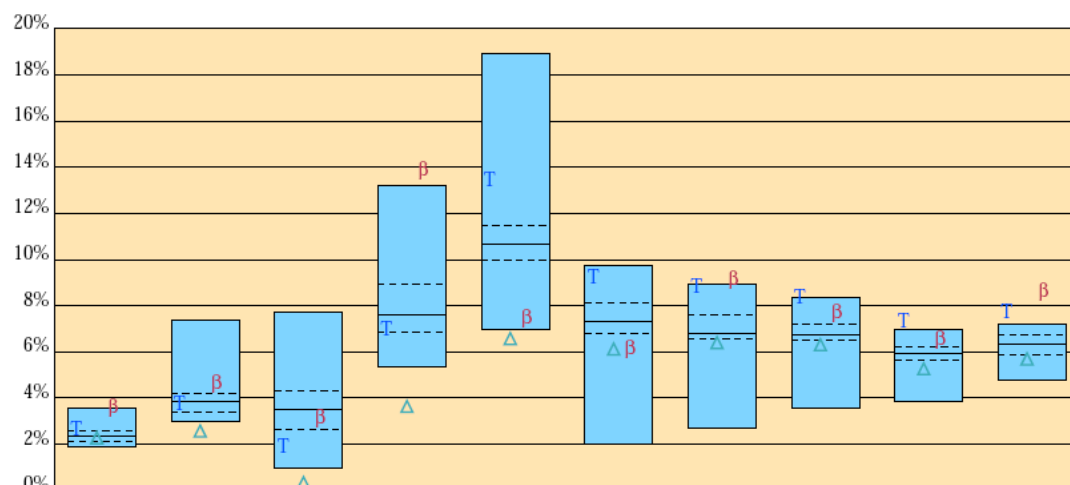
Total Fixed Income – Rolling Tracking Error



Total Fixed Income – Universe Comparison



California Public Employees Retirement
Fixed Income Returns of Public Funds > \$10 Billion
Rates of Return for Periods Ending June 30, 2011

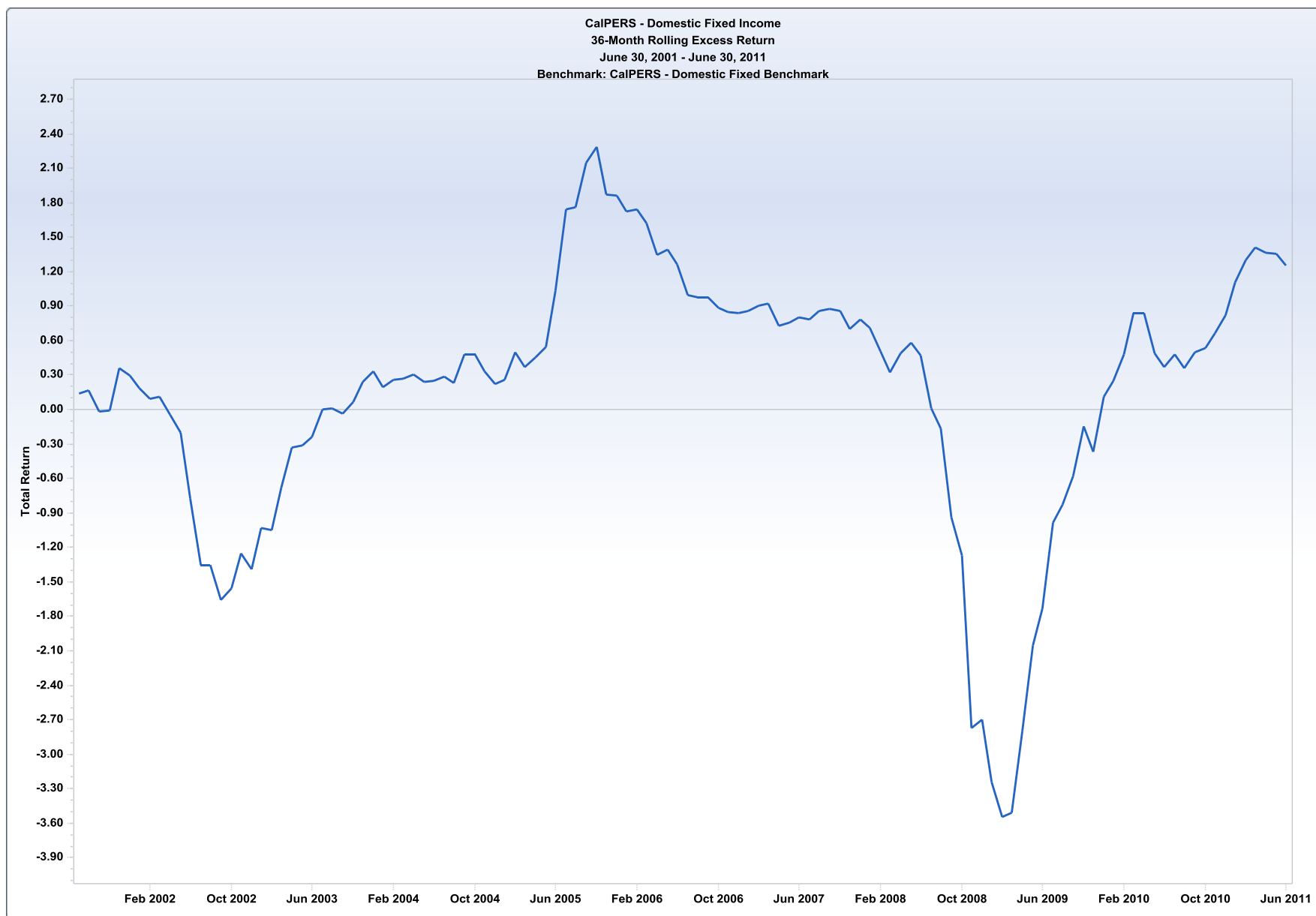


	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	7 Years	10 Years
5th Percentile	3.57	7.35	7.74	13.19	18.91	9.77	8.92	8.35	6.95	7.22
25th Percentile	2.59	4.22	4.34	8.96	11.46	8.13	7.58	7.21	6.22	6.73
Median	2.36	3.88	3.51	7.58	10.67	7.32	6.79	6.72	5.91	6.31
75th Percentile	2.10	3.41	2.64	6.84	9.97	6.79	6.55	6.52	5.66	5.89
95th Percentile	1.87	3.01	0.97	5.33	6.99	2.03	2.68	3.58	3.84	4.80
T Total Plan - Composites	2.65 (19)	3.78 (56)	1.92 (88)	7.01 (67)	13.49 (13)	9.23 (5)	8.85 (5)	8.41 (1)	7.34 (1)	7.75 (1)
Δ Barclays Govt/Credit	2.32 (50)	2.61 (99)	0.38 (95)	3.68 (99)	6.62 (99)	6.17 (84)	6.44 (79)	6.35 (79)	5.31 (81)	5.74 (81)
β Citigroup Non-US Govt Bond	3.68 (1)	4.69 (12)	3.17 (60)	13.94 (1)	7.55 (87)	6.20 (84)	9.20 (1)	7.76 (10)	6.61 (5)	8.68 (1)

Returns for periods greater than one year are annualized.

GOF returns are used in universe comparison.

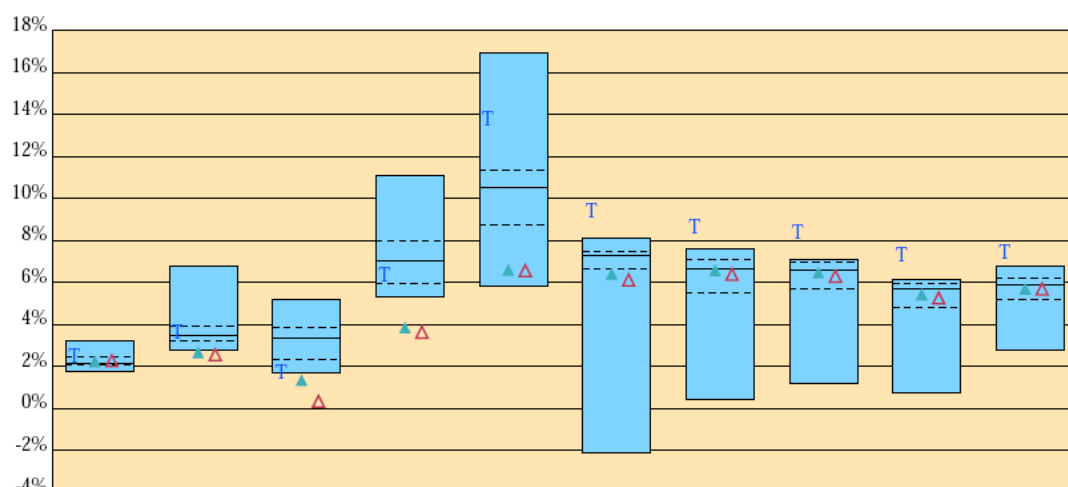
US Fixed Income – Rolling Excess Returns



US Fixed Income – Universe Comparison



California Public Employees Retirement
US Fixed Income Returns of Public Funds > \$10 Billion
Rates of Return for Periods Ending June 30, 2011



	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	7 Years	10 Years
5th Percentile	3.21	6.76	5.19	11.12	16.96	8.13	7.60	7.10	6.16	6.76
25th Percentile	2.46	3.93	3.85	7.97	11.34	7.45	7.08	6.96	5.95	6.21
Median	2.17	3.46	3.36	7.02	10.51	7.31	6.68	6.57	5.68	5.88
75th Percentile	2.06	3.25	2.32	5.98	8.73	6.63	5.51	5.73	4.83	5.20
95th Percentile	1.74	2.80	1.68	5.29	5.81	-2.12	0.42	1.22	0.74	2.78
T Total Plan - Composites	2.50 (21)	3.63 (42)	1.71 (87)	6.35 (54)	13.78 (5)	9.40 (1)	8.66 (1)	8.39 (1)	7.33 (1)	7.46 (1)
▲ Barclays Aggregate	2.29 (39)	2.72 (99)	1.39 (95)	3.90 (99)	6.66 (94)	6.46 (75)	6.63 (55)	6.52 (55)	5.48 (56)	5.75 (58)
△ Barclays Govt/Credit	2.32 (35)	2.61 (99)	0.38 (95)	3.68 (99)	6.62 (94)	6.17 (75)	6.44 (60)	6.35 (65)	5.31 (62)	5.74 (58)

Returns for periods greater than one year are annualized.

GOF returns are used in universe comparison.

Int'l Fixed Income – Rolling Excess Returns

